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I.A.B. 3rd Meeting

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CENTRAL INTELLIGENCE GROUP

INTELLIGENCE ADVISORY BOARD

Minutes of Meeting held in Room 4252,
New War Department Building,
on Monday, 8 April 1946, at 3:00 p.m.

Mr. Kingman Douglass, Acting Director of
Central Intelligence, in the Chair

MEMBERS PRESENT

Mr. Alfred McCormack, Special Assistant to
the Secretary of State in Charge of
Research and Intelligence
Lt. General Hoyt S. Vandenberg, Assistant Chief
of Staff, G-2, WDGS
Rear Admiral Thomas B. Inglis, Chief of Naval
Intelligence
Brig. General George C. McDonald, Assistant
Chief of Air Staff, Intelligence

ALSO PRESENT

Captain W. B. Goggins, USN, Central
Intelligence Group
Colonel C. P. Nicholas, USA, Central
Intelligence Group

SECRETARIAT

Mr. James S. Lay, Jr., Secretary,
National Intelligence Authority

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HR 70-14
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1. 1947 BUDGET FOR INTELLIGENCE WORK OF THE DEPARTMENT OF STATE

MR. McCORMACK submitted the letter in Enclosure "A" for consideration.

MR. DOUGLASS asked for the comments of the other members on the suggestion in Mr. McCormack's letter.

GENERAL VANDENBERG felt that the Secretary of State had considerable influence in the Congress and might well be able to secure the requested appropriation if he so desired. Therefore, until the Secretary of State requests assistance from the other N.I.A. members, General Vandenberg is very reluctant to advise the Secretary of War to take any action. General Vandenberg noted that Admiral Souers in the last N.I.A. meeting had already expressed the opinion, from the viewpoint of C.I.G., that more than \$2,000,000 was required for State Department intelligence. General Vandenberg understood that the Secretaries of War and the Navy had concurred with Admiral Souers.

ADMIRAL INGLIS agreed with General Vandenberg that N.I.A. action should not be taken until the Secretary of State requested such assistance. Admiral Inglis asked whether Mr. McCormack was representing the Secretary of State in presenting this matter.

MR. McCORMACK explained that his action was not taken on a specific request from the Secretary of State. In his capacity as Special Assistant, however, Mr. McCormack felt that it was his duty to do all in his power to secure the appropriation which the Secretary of State had requested and had not officially revised or withdrawn. He admitted that there was some difference of opinion within the Department of State as to the organization and even the need for intelligence activities in that Department.

ADMIRAL INGLIS did not wish to comment upon any matters of internal disagreement within the Department of State. He felt, however, that the Central Intelligence Group should take over from the Department the basic intelligence research and analysis function.

MR. McCORMACK stated that he was not insisting that any action be taken, but he thought it entirely appropriate that the Board advise the N.I.A. what effect the reported action of the House Appropriations Subcommittee, if sustained by the Congress, would have upon the work of the Central Intelligence Group.

GENERAL VANDENBERG believed that the N.I.A. would always have difficulty in such cases until it has its own operating funds. With such funds its recommendations regarding departmental budgets will have more weight with Congress. So long as its funds come from the various Departments, however, its recommendations regarding budgets will not have great influence. General Vandenberg questioned whether this Board should become involved in this matter at this time, or whether it would not be preferable to find out first what the Secretary of State proposes to do.

MR. McCORMACK believed that this Board has the authority to advise the N.I.A. at this time on its own initiative.

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GENERAL VANDENBERG maintained that Admiral Souers had already advised the N.I.A. of the C.I.G. views on this point; the only question at present was whether that advice was sufficient.

MR. DOUGLASS thought there was an additional question of how much burden would be placed upon the War and Navy Departments to fill the gap created by the lack of a State Department intelligence organization. He thought this might require an increase in War and Navy Department budgets for intelligence.

ADMIRAL INGLIS pointed out that the Navy Department intelligence budget had already been submitted. It might, therefore, be harder to change than to attempt to retain the State Department budget.

GENERAL VANDENBERG felt that if the State Department intelligence budget was refused, Congress would react unfavorably to a subsequent War and Navy Department request for additional appropriations for the same purpose.

ADMIRAL INGLIS believed that the Board should either suggest doing nothing, or recommend to the N.I.A. that the research and analysis function be transferred from State to C.I.G. In the latter case, he felt that the personnel assigned to C.I.G. should be carefully screened and that the funds for research and analysis should come from the State Department for the 1947 fiscal year. He thought that C.I.G. should have an independent budget for the 1948 fiscal year.

GENERAL VANDENBERG thought that the N.I.A. was already in a difficult situation for the coming year, and questioned whether the additional burden of a research and analysis unit should be added during that time. He was in agreement, however, with the ultimate desirability of having such a research and analysis unit in C.I.G.

MR. DOUGLASS thought that the Secretary of State might feel that \$2,000,000 was enough to meet his needs and would be reluctant to transfer anything to C.I.G. Mr. Douglass, however, also agreed with the desirability of a research and analysis unit in C.I.G.

GENERAL VANDENBERG said that if the State Department decided to decentralize intelligence, he did not think that Department could object to C.I.G. assuming the research and analysis function.

GENERAL McDONALD thought that the N.I.A. should not do anything unless the Secretary of State requested its assistance.

MR. McCORMACK pointed out that so far as the official record is concerned, the Secretary of State had requested over \$5,000,000 for intelligence, which the Bureau of the Budget had reduced to about \$4,000,000.

ADMIRAL INGLIS thought that C.I.G. could be properly concerned about the loss of the \$330,000 earmarked for its operations.

GENERAL VANDENBERG thought that the C.I.G. had a proper interest in this budget, but that the actions of C.I.G. should depend on what action the Secretary of State planned to take. General Vandenberg therefore thought that the first step should be for the Director of Central Intelligence to discuss the matter with the Secretary of State and find out his views and proposed actions.

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COLONEL NICHOLAS questioned whether the Director of Central Intelligence, with the concurrence of this Board, could not advise the Secretary of State of the detrimental effect upon C.I.G. of the proposed cut in the budget.

GENERAL VANDENBERG agreed. He thought that if the Secretary of State indicated that he felt further action in support of his intelligence budget was unnecessary, this Board might justifiably express its alarm at that time.

MR. McCORMACK suggested that his letter be tabled until the Director of Central Intelligence had seen the Secretary of State and until the House Appropriations Committee had acted on the budget.

MR. DOUGLASS thought the solution might be to advise Admiral Leahy of the situation.

GENERAL VANDENBERG thought the C.I.G. should find out what the Secretary of State intends to do. If he intends to accept the refusal of the budget without further action on his part, the C.I.G. should express its alarm. However, if the Secretary of State proposes to take all possible action in support of his budget, General Vandenberg believed that no further action was necessary by C.I.G.

MR. McCORMACK noted that the great difficulty is the uncertainty in the minds of his employees created by the action of the House Appropriations Subcommittee. This uncertainty causes the capable personnel to resign in favor of more secure employment.

MR. DOUGLASS agreed to attempt to see the Secretary of State as suggested.

ADMIRAL INGLIS suggested that the possibility of transferring the research and analysis function from State to the C.I.G. might also be discussed with the Secretary of State.

GENERAL VANDENBERG expressed his willingness to concur in such a transfer if State agreed to finance the operations for the next year. He believed, however, that C.I.G. should not oppose the State Department if it desired to retain that function.

ADMIRAL INGLIS said that he still considered the transfer as the best ultimate solution.

GENERAL VANDENBERG thought that the Director of Central Intelligence might find out from the Secretary of State his reactions to a recommendation by this Board that C.I.G. assume this research and analysis function. General Vandenberg thought that intelligence would be forthcoming if this function was in either the State Department or the C.I.G., but he agreed that transfer to C.I.G. was the preferable solution.

MR. McCORMACK expressed the belief that the Secretary of State has not yet formulated a definite opinion regarding the ultimate form or composition of the intelligence activities in the State Department.

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After further discussion,

THE INTELLIGENCE ADVISORY BOARD:-

- a. Agreed to recommend to the Director of Central Intelligence that he:
- (1) Advise the Secretary of State of the adverse effect, upon the work of the Central Intelligence Group, of a substantial reduction or deletion of the 1947 appropriation for intelligence work in the Department of State.
 - (2) Ascertain the views and proposed actions of the Secretary of State regarding this appropriation.
 - (3) Ascertain, if the opportunity arises, the views of the Secretary of State as to the possibility that the intelligence research and analysis function, for which this appropriation was requested, might be transferred from the Department of State to the Central Intelligence Group.
- b. Agreed to defer further consideration of Mr. McCormack's letter (Enclosure hereto) pending the above action by the Director of Central Intelligence and further information concerning the action of the House Appropriations Committee on the 1947 budget for State Department intelligence work.

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